Summary and Comparison with Supply-Based Estimates of Availability

Due to the quality of available data, there is considerable imprecision in estimates of the number of chronic and occasional users of drugs, the amount of drugs they consume, and the retail sales value of those drugs. The best estimates (all for 1999) follow:

- In 1999, about 2.8 million Americans were chronic cocaine users, and about 900,000 were chronic heroin users. The number of chronic cocaine users has declined over the last decade (the figure was 3.6 million in 1990). The number of chronic heroin users has decreased, perhaps due to the AIDS epidemic and increased incarceration, but that decrease has largely abated during the latter part of the decade, perhaps because of new users attracted by the availability of high-quality low-cost heroin.

- About 3.2 million Americans were occasional cocaine users, and about 250,000 were occasional heroin users. The number of occasional cocaine users dropped from 6.0 million in 1988, and the number of occasional heroin users increased from 170,000 in 1988.

- More Americans use marijuana than either cocaine or heroin. In 1999, about 12 million Americans had used marijuana at least once in the month prior to being surveyed. The number of marijuana users has remained fairly constant over time, with some dip in use during the middle 1990s when prices were relatively high.

- Methamphetamine abuse is now recognized as a major problem, but estimates of the size of the problem are imprecise. Perhaps 670,000 Americans are chronic methamphetamine users. Consistent with other sources, we find increases in the number of methamphetamine users over the last decade.

- Many Americans use illicit drugs other than cocaine, heroin, methamphetamine and marijuana, or they may use licit drugs illegally. About 12 million Americans admitted using these other drugs in 1999. These numbers include some overlap of polydrug users.

Deriving estimates of the total expenditure on illicit drugs and licit drugs consumed illegally is more difficult and uncertain because those estimates require more data about amounts used and prices paid. Nonetheless, the best estimates indicate the following:

- In 2000, Americans spent about $36 billion on cocaine, $10 billion on heroin, $5.4 billion on methamphetamine, $11 billion on marijuana, and $2.4 billion on other substances.

- Again, estimating trends is risky, but it appears that expenditures on cocaine, heroin, and marijuana have fallen some over the last decade. However, almost all the reduction can be attributed to a fall in prices. Expenditures on methamphetamine have increased over the decade.

Figures of cocaine consumed in the United States were compared to estimates of cocaine availability based on coca cultivation estimates . As noted earlier, details about the supply-based estimates appear in companion reports. The STAR model affords an estimate of cocaine that leaves South America by beginning with the domestic consumption estimates reported in this document and augmenting those consumption estimates to include seizures, shipments to destinations other than the United States, and other reductions from the distribution system. The STAR Model provides a second estimate of cocaine that leaves South America by beginning with coca cultivation, transitioning to production potential, then subtracting seizures, indigenous consumption and other reductions from the system. The two estimates should agree, and broadly, they do. Between 1997 and 2000 the coca cultivation-based estimate is that from 537 to 616 metric tons departed from South America; during that same period, the domestic consumption-based estimate is that from 500 to 600 metric tons departed South America.

The heroin flow model requires a different kind of comparison. Starting with the consumption estimates, and accounting for reductions from the distribution system, the model provides estimates of the amount of heroin that comes from South America and Mexico. Those estimates can be compared to potential production-based estimates for those two sources. The domestic consumption-based estimates for 1996 through 2000 are 3.5 to 4.3 metric tons of heroin originated from Mexico and 7.0 to 9.5 metric tons originated from Colombia. The potential production-based estimates for those same years are 4.0 to 6.0 metric tons for Mexico and 6.4 to 7.5 metric tons for Colombia. Colombia seems to produce somewhat less heroin, and Mexico seems to produce somewhat more heroin, than can be accounted for by the consumption-based estimates. These differences might be explained by incorrect information about processing efficiencies, because estimates of processing efficiencies, which are based on Southwest and Southeast Asia studies, may not apply to Colombia and Mexico.

Although these estimates paint a picture of drug consumption with an extremely broad brush, and although not all estimates can be reconciled, the approach we use provides an important perspective on what is *not*

known about drug production and consumption and what *needs to be known* to better understand the policy choices available to the Nation. Indeed, a comparison of this report with its precursors for earlier years reveals the truth of this statement. Each new version of *What America's Users Spend on Illicit Drugs* has had access to better data and improved estimation methodology. In turn, each new version has provided revised estimates of the number of users, the amount they spend on illicit drugs, and the amount of drugs they use. Year-to-year changes in these estimates must be unsettling to this report's users, but we hope those readers can appreciate that the methodology has evolved over time, and the price of inconsistency has been year-to-year improvements.

We make no pretense here that the model and estimates we present in this report are fully adequate to the larger task of informing public policy decisions. They are, at best, a start, but they offer important possibilities of integrating what are otherwise seen as disparate pieces of information about the consumption and supply of drugs.

We expect incremental improvements to the estimates and methods offered here, particularly as better data become available. We also expect improvement in the models. In fact, the Office of National Drug Control Policy has started a project to improve and integrate drug use and supply indicator data. The National Institute of Justice, through its Arrestee Drug Abuse Monitoring program, has instituted projects to more accurately estimate the number of chronic drug users and to better describe illicit drug markets. Also, the Substance Abuse Mental Health Services Administrations, through the NHSDA, is implementing an important series of questions about marijuana purchasing practices. These emerging data will greatly improve future versions of these estimates.

Moreover, the estimates by themselves have only modest importance: they tell us nothing more than that the drug trade is large, a conclusion that requires no special study. The real utility of these numbers is the development of a systematic methodology for integrating the various indicators (crops in foreign countries, drugs seized at the borders, arrests made in American cities, etc.) that can help policymakers to better understand the dynamics of the drug trade and to fashion appropriate policy responses.

The current process for integrating this research into policymaker decisions is through the ONDCP Performance Measure of Effectiveness (PME) system. The PMEs set 97 performance targets and 127 associated measures. Many of these targets involve supply-side activity, such as reduction of heroin flow

into the United States. These targets are instrumental toward increasing the price of illicit drugs, reducing the supply of illicit drugs, or both. The results of this heroin model are inputs into the PME process, and will therefore be updated on an annual basis.